



0000156777

COMMISSIONERS
BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH



**ARIZONA CORPORATION
COMMISSION**

BOB BURNS
COMMISSIONER

Direct Line: (602) 542-3682
Email: RBurns-web@azcc.gov

October 17, 2014

ORIGINAL

RE: Ocotillo Modernization Project, Docket No. L-00000D-14-0292-00169

Dear Commissioners, Arizona Public Service Company and the Residential Utility Consumer Office:

Thank you to my fellow Commissioners for voting to grant the Arizona Public Service Company ("APS") and the Residential Utility Consumer Office ("RUCO") Joint Request for Review on their three proposed conditions to the CEC in this matter. As I mentioned at the Staff Open Meeting, I am intrigued by this proposal and believe it would be helpful for us to have more information about these conditions before we consider the case on the November Open Meeting agenda.

As we discussed at the meeting, the Commission can ask for briefs or oral argument when a request for review is filed. It is my understanding that the three proposed conditions establish a procurement process for consideration of alternative resources, including energy storage projects, through 2021. Based on what has been proposed, it is my understanding that these three conditions reflect only requests for information.

I would like APS and RUCO to file a brief concerning their views on the appropriateness of these conditions as part of this CEC. In particular, I would like them to address whether these matters would be more appropriately addressed in APS's Integrated Resource Plan or Renewable Energy Standard and Tariff Plan dockets. Moreover, I have specific questions about their proposed conditions:

- (1) Why was the date of December 31, 2016 selected in Condition #1?
- (2) Who will be the independent monitor conducting the RFP?
- (3) Why was a duration of no less than 3 hours daily selected for energy storage procurement in Condition #2?

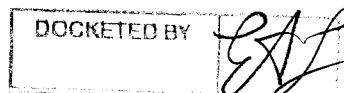
I look forward to receiving responses filed in this docket by October 29, 2014.

Sincerely,

Robert L. Burns
Commissioner

Arizona Corporation Commission
DOCKETED

OCT 17 2014



RECEIVED
2014 OCT 17 P 12:12
AZCC COMMISSION
DOCKET CONTROL